



CONTACT
JODI SCOTT
678-516-1207
PR@AAHOA.COM

AAHOA, ORLA Monitor Proposed Use of Hotel Tax Revenue by City of Salem

SALEM, OR, May 9 - The City of Salem, OR, has found an alternate solution to its initial plan to use transient lodging tax dollars for library funding gaps. Instead, it will use funds from the [American Rescue Plan Act](#). AAHOA (Asian American Hotel Owners Association) and ORLA ([Oregon Restaurant & Lodging Association](#)) proactively watch attempts from local municipalities to use protected lodging tax dollars for purposes other than tourism.

Had the city decided to use money from hotel taxes as initially discussed, it would have directly impacted hotel owners and their businesses, potentially limiting funds available for tourism initiatives to attract more guests. The city plans to use monies from its Cultural and Tourism Fund, which comprises transient lodging tax and ARPA funds.

"AAHOA and ORLA were proactive in ensuring appropriate use of the Transient Lodging Tax in the City of Salem," said **Taran Patel, AAHOA Northwest Regional Director**. "This is a great example of the importance of AAHOA Members being active in advocacy at the local levels of government."

How the city allocates hotel tax revenue can significantly impact businesses reliant on tourism.

The Oregon state legislature established clear guidelines in 2003 on how cities should utilize funds for tourism promotion and related facilities. Notably, a portion of hotel taxes must be dedicated to promoting tourism and enhancing tourist destinations. Any increase in hotel tax revenue must allocate 70% toward tourism promotion, with the remaining 30% available for the city's discretion.

Using hotel taxes for projects or purposes other than tourism could mean less money to bring in visitors all year round. Protecting this funding is essential to AAHOA and ORLA as they work to attract visitors to Oregon communities throughout the year.

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About AAHOA

AAHOA is the largest hotel owners association in the world, with Member-owned properties representing a significant part of the U.S. economy. AAHOA's 20,000 members own 60% of the hotels in the United States and are responsible for 1.4% of the nation's GDP. More than 1 million employees work at AAHOA Member-owned hotels, earning more than \$51 billion annually, and member-owned hotels support 4.1 million U.S. jobs across all sectors of the hospitality industry. AAHOA's mission is to advance and protect the business interests of hotel owners through advocacy, industry leadership, professional development, member benefits, and community engagement.